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ANNUAL REPORT 1985-86

UNIVERSITY OF ALBERTA
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May, 1987

The Honourable David J. Russell
Minister
Alberta Advanced Education
127 Legislature Building
Edmonton, Alberta
T5K 2B6

Sir:

On behalf of the Governors of Mount Royal College, and in accordance with the provisions of the Colleges Act, we have the honour to transmit the annual report of Mount Royal College for the year ending June 30, 1986.

Roy V. Deyell, Q.C.
Chairman, Board of Governors

Donald N. Baker, Ph.D.
President

BOARD AND COMMITTEES

Board of Governors

Roy V. Deyell, Q.C., Chairman
B. Jean Fraser, Vice-Chairman
Donald N. Baker, President
Edward R.R. Carruthers, Q.C.
Adam Dutkowski
(from January 1986)
Phyllis M. Laidlow
Joanne L. McLaws
J.W. (Bill) McManus
Fred A. Miles
Paul M. Pressel (to January 1986)
Bartlett B. Rombough
Douglas E. Thomson

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Adam Dutkowski
(from January 1986)
Fred A. Miles
Paul M. Pressel (to January 1986)
Douglas E. Thomson

Personnel Committee

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Donald N. Baker
Roy V. Deyell, Q.C.
Phyllis M. Laidlow
Joanne L. McLaws

Roy V. Deyell, Q.C.

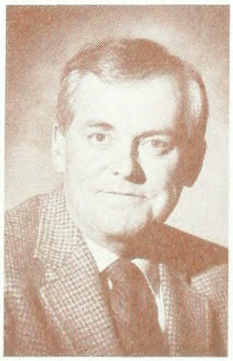
B. Jean Fraser

Donald N. Baker

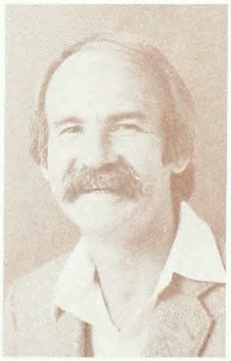
Edward R.R. Carruthers, Q.C.

Phyllis M. Laidlow

Joanne L. McLaws



J.W. (Bill) McManus



Fred A. Miles

Bartlett B. Rombough

Douglas E. Thomson

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PRESIDENT'S REPORT

The arrival of a 75th anniversary is simultaneously a time to reflect upon that which has helped bring us to this day and a time to look forward to avenues yet to be taken. In 1985-86, Mount Royal College was fortunate to be able to look back on a history rich with service to Calgary and community and to further build upon this solid foundation to meet the challenging and evolving educational needs of our students.

In retrospect, this past anniversary year's celebration can be seen not as an attempt to relive the past but as a growing pride in the success of the College's students, faculty and staff over seven decades of existence.

Expanded Campus Takes Shape

Throughout 1985-86 work continued on the $68 million facility expansion, a project which could allow Mount Royal College to expand its facilities by more than 40 per cent and its enrolment potential by more than 60 per cent. The first new structure in the program, the Arts Building, was completed and the first in a long series of relocations of functions began. Construction of two other buildings, Kerby Hall and the Community and Health Hall, began in November. The Students' Association and the Board of Governors signed an agreement for the construction of Wyckham House, the new independent student centre, and the Association presented the Board with an almost $1 million contribution towards the project's construction costs. All are scheduled to be available for use in the summer of 1987.

The College also was involved in a building project away from the main campus, as we joined with several community organizations in the construction of a new twin arena. Scheduled to open in October 1986, Calgary Centennial Arenas will be the new home of the Mount Royal College Cougars hockey team.

Demand Proves Popularity

Demand for Mount Royal College services continues to soar, as more than two prospective students are turned away for every one who is admitted for credit study. In 1985-86, 5,077 full-time equivalent (FTE) students attended Mount Royal College.

In credit-free activity, the College saw yet another annual increase in the number of Calgarians taking advantage of the courses and services offered by the Faculty of Continuing Education and Extension, and the Conservatory of Music and Speech Arts. Credit-free registrations totalled some 21,748 by year end.

Academic Service Refined

The College's commitment to maintaining and improving the quality of its academic programs and services was realized in a variety of ways. Two notable innovations were these:

• Co-operative Education - Accounting

Mount Royal College introduced the province's first community college-level co-operative education program in accounting. The program combines academic study with practical on-the-job experience, making these graduating students prime candidates for employment.

• University Transfer Program Packaging

Students enrolled in the College's B.A., B.Sc., B.Ed. and B.Comm. university transfer programs were guaranteed seats in required majors because courses were assembled into "packages," ensuring that students will meet transfer requirements.

In credit-free community courses and programs, the College expanded its course base, notably in health and fitness services. Of particular note are two endeavors which received financial support from the corporate community: the Alberta Heart and Stroke Foundation's donation to the CPR (Cardio-Pulmonary Resuscitation) Program, and Coopers and Lybrand's donation for a mobile fitness unit for the Fitness Centre.

The Mount Royal College School of Dance, the official school of the Alberta Ballet Company in Calgary, celebrated its first year of operation by moving into new leased quarters in southwest Calgary.

Students, Faculty, Staff Shine

With the award of the Board of Governors' annual Distinguished Service Staff and Distinguished Faculty/Teaching Awards in the spring, the College community had cause yet again to focus on the dedication of its employees.

In late May the Association of Canadian Community Colleges' annual conference was held in Calgary, with Mount Royal College and SAIT serving as co-hosts. That the conference drew a record number of participants is in large part due to the tireless work of a corps of volunteers from both institutions.

Later in the year, the College's longest serving employee, Leonard Leacock of the Conservatory of Music and Speech Arts, was honoured for exceptional commitment to his craft when Governor-General Jeanne Sauvé presented him with the Order of Canada.

In December, $300,000 in awards and scholarships went to Mount Royal College students, recognizing their academic achievement and contribution to College life. Success stories throughout 1985-86 ranged from student academic initiative to fine displays of musical accomplishment; from a study of Calgary drinking water by Environmental Quality Control students to a young cellist's debut in the semi-finals of an international string competition.

The Quality of Campus Life

To streamline the College's student registration and information systems, a new computerized Student Information System (SIS) was developed. SIS was used for the first time in 1985-86.

The quality of work life for employees at Mount Royal College also came under examination with the creation of the Executive Steering Committee on the Quality of Work Life.

Economic Constraints Loom

Increasing public pressure to reduce government spending is having, and will continue to have in the future, a significant effect on publicly funded institutions such as Mount Royal College. In recognizing and responding to this concern, the College realizes the importance of the corporate community in contributing to the institution's economic viability.

We introduced the 75th Anniversary Fund in December 1986, our largest fund-raising drive to date, seeking to raise $2 million over the next two years to augment College scholarships, programs and services. With more than a year remaining in the program, the half-way point already has been reached, as corporations, organizations and individuals have responded to our request for additional financial support.

Olympics Afford Opportunity

As the 1988 Winter Olympics draw nearer, Mount Royal College is committed to assisting with this world event in ways appropriate to the College's missions and with regard for the College's academic programs and its students. As an Olympic legacy, the College will inherit a 440-bed student residence complex on 18 acres of land currently owned by the Alberta Housing and Mortgage Corporation.

Ahead Lies the Challenge

In October 1985 I addressed College employees, stating my belief that, given its resources, facilities and pool of talents, Mount Royal College can become one of the finest community colleges in the world. I firmly believe that we should set our goal as that of being among the finest institutions in our line of business to be found anywhere, and I believe that goal to be attainable.

We have many of the programs, practices, values and personnel in place at Mount Royal College to serve as the foundation stones for excellence. We have, because of our long history, a certain institutional maturity, a sense of perspective and a self-confidence which few other community colleges can claim.

As I look ahead to the next five years, I see a period not only of growth as the College expands physically and operationally but also a period of considerable promise.

It will be a time when Mount Royal College, if we choose, can move from being an institution which is good at its business to one which is outstanding.

Donald N. Baker

FINANCIAL STATEMENTS

Auditor's Report

To the Board of Governors of Mount Royal College

I have examined the statement of financial position of Mount Royal College as at June 30, 1986 and the statements of changes in fund balances, equity in capital assets, reserves and restricted funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Donald D. Salmon
C.A.
Auditor General

Edmonton, Alberta
October 30, 1986

Statement of Financial Position As at June 30, 1986

Assets	1986	1985
Cash	$82,716	$112,047
Accounts receivable	3,953,684	434,879
Investments (Note 3)	6,970,732	9,071,203
Loans receivable (Note 4)	108,828	124,961
Inventories (Note 5)	792,744	627,628
Prepaid expenses	922,146	794,136
Capital Assets (Note 6)	61,334,925	53,466,677
	$74,165,775	**$64,631,531**
Liabilities, Equity and Fund Balances		
Accounts payable	$5,599,618	$2,420,055
Deferred revenue (Note 7)	1,007,110	731,720
Long-term debt (Note 8)	253,081	381,867
Funds held on behalf of others	334,423	304,797
	7,194,232	3,838,439
Equity in capital assets	61,081,844	53,084,810
Fund Balances		
Operating	477,036	521,814
Capital	2,477,009	4,412,392
Restricted (Note 9)	1,628,468	1,394,543
	4,582,513	6,328,749
Reserves	1,307,186	1,379,533
	5,889,699	7,708,282
	$74,165,775	**$64,631,531**

The accompanying notes are part of these financial statements.

Statement of Changes in Fund Balances

	Operating	Ancillary Services	Capital	Restricted	Total 1986	Total 1985
Revenue						
Grants, Province of Alberta (Note 9)	$22,003,732	$ -	$12,569,663	$143,901	$34,717,296	$30,015,124
Tuition fees	5,476,497	-	-	5,486	5,481,983	5,654,536
Sales of goods and services	570,220	1,718,444	-	275,200	2,563,864	1,571,546
Donations	102,690	-	951,000	193,362	1,247,052	232,624
Investment income	165,606	-	370,725	192,343	728,674	1,337,320
Proceeds from disposal of capital assets	-	-	17,999	-	17,999	7,685
Miscellaneous	510,468	-	-	58,414	568,882	488,970
	28,829,213	1,718,444	13,909,387	868,706	45,325,750	39,307,805
Expenditure						
Instruction	13,347,991	-	-	-	13,347,991	12,576,355
Continuing education	4,348,375	-	-	-	4,348,375	3,749,156
Academic services	3,693,849	-	-	82,628	3,776,377	3,851,025
Administration	5,070,600	-	-	-	5,070,600	4,179,654
Plant maintenance	2,686,847	-	-	-	2,686,847	2,568,083
Cost of sales and services	-	1,517,120	-	392,847	1,909,967	1,606,808
Purchase of capital assets	-	-	15,844,770	-	15,844,770	7,867,355
Scholarships	-	-	-	159,406	159,406	-
	29,147,662	1,517,120	15,844,770	634,781	47,144,333	36,398,436
Excess of Revenue Over Expenditure	(318,449)	201,324	(1,935,383)	233,925	(1,818,583)	2,909,369
Inter-fund transfers	201,324	(201,324)	-	-	-	-
Reserves						
Appropriated from fund balance	(140,561)	-	-	-	(140,561)	(606,546)
Returned to fund balance	212,908	-	-	-	212,908	67,013
Changes in Fund Balances for the Year	(44,778)	-	(1,935,383)	233,925	(1,746,236)	2,369,836
Fund Balances at Beginning of Year	521,814	-	4,412,392	1,394,543	6,328,749	3,958,913
Fund Balances at End of Year	$477,036	$ -	$2,477,009	$1,628,468	$4,582,513	$6,328,749

Statement of Equity in Capital Assets

	1986	1985
Balance at beginning of year	$53,084,810	$45,149,170
Add:		
Purchase of capital assets, including increase in equity from reduction of long-term debt of $128,786 (1985 $134,567)	15,844,770	7,867,355
Donations of capital assets	25,368	68,285
	68,954,948	53,084,810
Deduct:		
Disposal of capital assets	19,909	-
Write-off of capital assets (Note 6(b))	7,853,195	-
	7,873,104	-
Balance at end of year	**$61,081,844**	**$53,084,810**

Statement of Reserves

	Balance at beginning of Year	Appropriations Appropriated	Appropriations Returned	Balance at End of Year
Academic program development	$512,901	$49,823	$(25,129)	$537,595
Data base development	283,965	23,977	(105,894)	202,048
Canadian Centre for Learning Systems	332,667	28,781	(64,111)	297,337
Instructional technology applications	150,000	22,069	-	172,069
Professional development	100,000	15,911	(17,774)	98,137
	$1,379,533	**$140,561**	**$(212,908)**	**$1,307,186**

Statement of Restricted Funds

	Balance at Beginning of Year	Add Revenue	Deduct Expenditure	Balance at End of Year
Endowments				
Principal				
Academy	$846,350	$34,250	$ -	$880,600
Scholarships	375,443	94,000	-	469,443
	1,221,793	128,250	-	1,350,043
Expendable funds	191,157	464,653	367,219	288,591
	1,412,950	592,903	367,219	1,638,634
Association of Canadian Community Colleges	(18,407)	401,088	392,847	(10,166)
	$1,394,543	**$993,991**	**$760,066**	**$1,628,468**

NOTES TO THE FINANCIAL STATEMENTS

Note 1
Authority

Mount Royal College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended.

Note 2
Summary of Significant Accounting Policies and Reporting Practices

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that capital assets are not depreciated. (Note 2 (e)).

(b) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting.

For financial reporting purposes, accounts with similar characteristics have been combined into the following major fund groupings:

- Operating
- Ancillary services
- Capital
- Restricted

(c) Inventories

Inventories of merchandise and supplies are valued at the lower of cost or net realizable value. (Note 5)

(d) Capital Assets

Capital assets are recorded at cost except for donated capital assets which are recorded at fair market value. (Note 6)

Library materials purchased since July 1, 1981 are recorded as capital assets.

(e) Depreciation

In accordance with the accepted practice of most Canadian educational institutions, no charge is made in the accounts for depreciation of capital assets.

(f) Conditional Program Revenue

Conditional program revenue is recognized in amounts equal to related expenditure. (Note 7)

Note 3
Investments

Investments are summarized as follows:

	1986	1985
Short-term deposits	$6,460,700	$8,423,171
Investment certificates	510,032	648,032
	$6,970,732	$9,071,203

Note 4
Loans Receivable

Loans receivable are summarized as follows:

	1986	1985
Non-interest bearing housing loan to an officer of the College	$76,201	$76,201
Mount Royal Gym Club, 5% loan secured by a chattel mortgage	32,627	42,760
Mount Royal Choral Society 5% loan, unsecured	-	6,000
	$108,828	$124,961

Note 5
Inventories

Inventories are summarized as follows:

	1986	1985
Bookstore	$497,542	$322,308
Maintenance	217,630	213,910
General stores	40,680	50,803
Duplicating	32,518	32,480
Food services	4,374	8,127
	$792,744	$627,628

Note 6
Capital Assets

(a) Capital assets are summarized as follows:

	1986	1985
Land	$1,654,256	$1,654,256
Buildings	21,113,644	20,948,835
Furnishings and equipment	11,907,444	18,712,851
Expansion project - construction	23,588,600	10,462,102
- furnishings and equipment	1,701,999	422,775
Library materials	1,368,982	1,265,858
	$61,334,925	$53,466,677

(b) During the year the College revised the capitalization criteria for furnishings and equipment in accordance with guidelines of the Department of Advanced Education. Assets that do not conform to the revised criteria and assets disposed of in prior years or considered of no further value or use were deleted from capital asset records, and are disclosed as a deduction on the Statement of Equity in Capital Assets.

Note 7
Deferred Revenue

Deferred revenue is summarized as follows:

	1986	1985
Tuition fees	$861,994	$579,063
Continuing education	99,930	127,319
Conditional program revenue (Note 2 (f))	36,552	2,788
Other	8,634	22,550
	$1,007,110	$731,720

Note 8
Long-term Debt

Long-term debt consists of finance contracts, secured by specific equipment, repayable in equal annual instalments, including principal and interest at 14% to 15.86%.

The amounts and timing of principal payments required are as follows:

1987	$119,404
1988	133,677
	$253,081

Note 9
Grants, Province of Alberta

Grants from the Province of Alberta are summarized as follows:

	1986	1985
Operating		
Base grant	$21,185,087	$19,466,346
Conditinal grants	577,530	415,781
Further education grants	181,338	588,255
Other grants	59,777	155,502
	22,003,732	20,625,884
Capital		
General capital	1,480,055	2,785,640
Expansion project	10,100,000	6,500,000
Matching grants	989,608	103,600
	12,569,663	9,389,240
Restricted		
Endowments	93,901	-
Association of Canadian Community Colleges	50,000	-
	143,901	-
Total	$34,717,296	$30,015,124

Note 10
Capital Commitment

A major expansion of the College, currently under way, is scheduled for completion in 1987-88. The estimated total cost of the project is $67,986,711 and is to be funded by capital grants from the Province of Alberta. Total project expenditures to June 30, 1986 amount to $25,290,599 (1985 $10,884,877).

Note 11
Comparative Figures

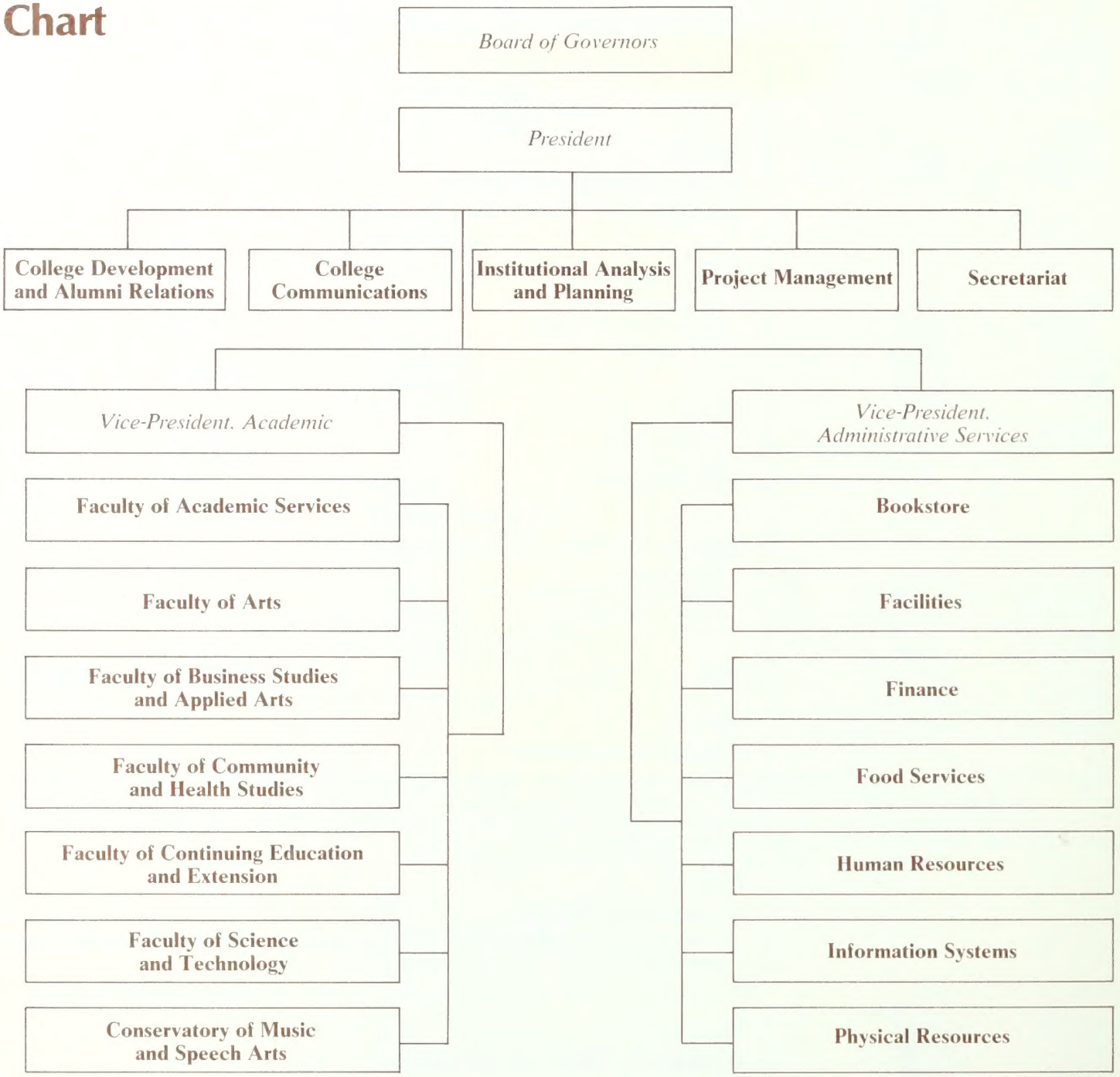
The format of these financial statements is substantially changed from 1985 to provide improved disclosure of transactions within funds.

The 1985 figures have been reclassified where necessary to conform to 1986 presentation.

Note 12
Approval of Financial Statements

These financial statements were approved by management.

Organizational Chart



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